

Subject	Updates to the NZ Transport Agency Waka Kotahi Monetised Benefits and Costs Manual (MBCM) and Crash Estimation Compendium (CEC)
Circulation	All registered holders of the Monetised Benefits and Costs Manual All approved organisations and local authorities Local Government New Zealand Association of Consulting Engineers New Zealand (ACENZ)
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Effective date	8 November 2024 for Monetised Benefits and Costs Manual, Version 1.7.2 8 November 2024 for Crash Estimation Compendium, Second Edition – Version 2
Date of issue	8 November 2024

Purpose

The purpose of this general circular is to:

- Issue updates to the [Monetised Benefits and Costs Manual](#) (MBCM) providing clarification and updated advice on various parts of the MBCM
- Issue updates to the Crash Estimation Compendium (CEC), correcting two minor errors plus adding new information on crash reduction factors for bus lanes (<https://www.nzta.govt.nz/resources/crash-estimation-compendium/>)

Reason

Both the MBCM and the CEC have been updated to either correct errors that have been found since the last updates were issued or to make improvements that are worthwhile releasing as soon as practical.

Application to economic calculations in progress

If the calculation of a benefit cost ratio for an economic case (as part of the business case) has not started before 8 November 2024, then Version 1.7.2 of the MBCM should be used.

If an economic case for an activity has already been completed or partly completed as part of a business case, then there is no requirement for an Approved Organisation or NZTA (for its own activities) to redo the economic calculations. However, if an Approved Organisation or NZTA (for its own activities) considers that the use of the latest information in Version 1.7.2 of the manual could impact the option selection process, then they are free to recalculate the economic case and demonstrate any change in their option selection choice.

MBCM updates

Version 1.7.2 of the MBCM includes a range of updates and improvements outlined in the table below.

Updates to the Monetised Benefits and Costs Manual

Page location in MBCM	Detail of the updates
Page 14: Purpose of this manual	The purpose statement for the MBCM in the second paragraph has been refreshed and updated.
Page 17, Section 1.4: Counterfactuals and the do minimum	The advice in paragraph 4 has been updated and expanded and a new paragraph 5 has been added to address the issue of what to do when there is not a “do nothing” option.
Page 19, Section 1.6: Period of analysis	Clarification has been provided on the period of analysis in relation to long lived public transport infrastructure projects.
Page 20, Section 1.7: Benefits	The text of this section has been edited to clarify the meanings of “Transfers” and “Wider Economic Benefits” and a new section on “Excluded Benefits” has been added to advise on what benefits should not be included in the economic analysis.
Page 27, Section 1.12: Economic vs financial analysis	This is a new section of the MBCM to provide information on the some of the differences between economic analysis and financial analysis.
Page 34, Section 2.4: Methods for demand estimation; and Page 43, Section 2.13: Fixed trip matrix and variable trip matrix assessments	Information has been added to sections 2.4 and 2.13 to provide additional advice on methods for demand estimation including the use of a simplified model, plus a link to the research report that contains the model.
Page 92, 1 st paragraph on Wider Economic Benefits (WEBs)	Additional advice has been provided on the use of WEBs in the economic analysis and the care that is required to avoid double counting of benefits.
Page 101, Section 3.12: Wider economic benefit (output change in imperfectly competitive markets)	This section has been rewritten to make it clear that the benefits under consideration relate to the output changes that occur due to imperfect competition.
Page 123, Section 4.3: Analysis of road renewal and improvement activities Page 149, Section 4.4: Analysis of public transport service activities Page 176, Section 4.5: Analysis of travel demand management activities Page 182, Section 4.6: Analysis of education, promotion and marketing activities Page 186, Section 4.7: Analysis of freight activities Page 204, Section 4.8: Analysis of private sector financing and road tolling	These sections have been updated to change the terminology from “wider economic impacts” to “wider economic benefits” for consistency through the MBCM. It is noted in the update that these benefits can be both positive and negative.

Page 216, Section 6.1: National benefit-cost ratio	The advice on “Presenting the national benefit-cost ratio” has been revised to include rounding the BCR to one decimal place for all BCRs under 10, including BCRs below 1.0.
Deleted section on wider economic benefit (regional economic development)	The advice on WEBs for regional economic development has been deleted. The regional economic development benefits are solely concerned with GDP benefits from additional international tourists, and these benefits are not counted unless they accrue to NZ as a whole. Also, there is no methodology to quantify additional international tourist numbers as a result of transport improvements within a region.

CEC updates

The Crash Estimation Compendium (CEC) is used in combination with the MBCM to assist with the calculation of crash costs. The CEC is referenced in the MBCM and is available as a download on the MBCM webpage. The key updates are outlined in the table below.

Updates to the Crash Estimation Compendium

Page location in CEC	Detail of the updates
Page 9, Section 2.2.4: DSI equivalents – severity factors based on injuries.	In the second bullet point the terminology is changed from “all injuries” to “all injury crashes” at a location
Page 26, Table 7-2: General crossroad and T-junction urban intersections (50-70km/h) coefficients	Columns b ₁ and b ₂ were transposed and this has been corrected.
Page 48, Table 9-1: Common Urban Midblock Crash Reduction/Modification Factors for Bus Lanes Taxis Permitted	The previous advice has been replaced based on more up to date information on the treatment of these bus lane sites.

MBCM contact

If you have any questions about the application of these updates or would like to discuss their application with an Investment Advisor, please send us an email to MBCM@nzta.govt.nz.